

## RECORD OF EXECUTIVE DECISION

Tuesday, 18 June 2019

**Decision No:** (CAB 19/20 23861)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	LEADERS'
SUBJECT:	OPERATION ALBACORE (MULTI COUNCIL CRIMINAL PROSECUTIONS) - RECEIPT OF COMPENSATION PAYMENT AND URGENT ACTION TAKEN BY THE DIRECTOR OF LEGAL AND GOVERNANCE
AUTHOR:	Clive Robinson

### THE DECISION

That Cabinet notes the urgent action taking by the Director of Legal and Governance under delegated powers to accept the voluntary undertaking to the court on behalf of Joseph Ashford to pay a further £616,000 'compensation to the council' to the effect that Joseph Ashford pays the sum in monthly instalments each of which is no less than £40,000. Further, that in the event that any one payment is in excess of £40,000 the excess balance can be carried forward. The total value to be paid no later than August 2020. In response to this the council will defer institution of further confiscation proceedings, retain the existing £720,000 property on restraint, and, on conclusion of all payments totalling £616,000 undertake to withdraw further proceedings.

### REASONS FOR THE DECISION

1. Op Albacore concerned large scale fraudulent drainage, plumbing and heating work carried out in residential properties across the south and south west of England in the period November 2009 to October 2013 by 1st Active Drainage Ltd and Fast Response Maintenance Ltd. Joseph Rodney Ashford was a director of both companies and both were managed by James Frances Dean. Work was carried out by, amongst others, Justin Brian Perry, Mark Victor Grundy, Ryan Sivyour, Andrew Ashton, Oliver Quinn, Jordan Easterbrook and Craig Watton. Given the seriousness of the allegations and impact on numerous Southampton residents Southampton City Council assumed the lead authority role on behalf of 22 authorities across southern England and instituted 12 criminal prosecutions representing 177 members of the public who's evidence were subjected to their evidence being put before the court. In September 2018 Joseph Ashford was convicted at Southampton Crown Court, alongside 7 others, with a ninth person having previously pleaded guilty, of offences arising from the Trading Standards investigation Op Albacore.

2. By way of background, the companies placed multiple adverts in telephone directories offering emergency drain and plumbing repairs with a 24 hour response and Senior Citizen discounts. Published telephone numbers were routed to offices in Bournemouth and latterly Ringwood. Customers were quoted labour and equipment rates which did not include VAT and were charged per half hour. The effectively hourly rate frequently reached £350/hour with materials added on top.
3. Customers were misled as how the bill was to be calculated, the need for the work to be done, what had been done and very often that money had been taken from customer's accounts without permission. The work done was frequently ineffective, unnecessary or was significantly different from what was originally agreed. Final invoices ranged from £200 to £18,000 and when customers rang to complain they were lied to, told to write to fictitious names or generally "fobbed off".
4. Following a 5 month trial in 2018, sentencing took place in 2019 and Ashford and Dean were convicted of money laundering offences relating to the money they had paid themselves for running the companies. Grundy, Sivyour, Ashton, Quinn, Eaterbrook and Watton were found guilty of fraud offences relating to the work carried out.
5. Offences of converting criminal property as identified above are 'lifestyle' offences as defined in the Proceeds of Crime Act 2002 and in summary, the criminal benefit is subject to potential confiscation proceedings.
6. The Court has previously provided Directions as to how such contested proceedings should be scheduled; this culminates in a hearing in July 2019. Further the Directions provide for an agreed resolution which would be notified to the Court. Such contested proceedings carry considerable cost arising from officer time, legal advice/representation and court hearings.
7. The defendant has made proposals to the effect that were he to undertake to the Court to make voluntary payments totalling £616,000 comprising of monthly payments of a minimum of £40,000 the council would then agree to defer confiscation proceedings.
8. Such an agreement will be underpinned by the existing restraint order to the value of £720,000 and equally by an agreement with the Court that in the event of breach of the agreement the Council would be able to recommence confiscation proceedings.
9. The agreement provides an immediate and effective end to the lengthy litigation process thus representing considerable savings to the public purse and delivers public confidence in the operation of the confiscation regime. The agreement was negotiated by officers with assistance from legal counsel and as with all negotiations before the courts was time limited. Accordingly the Chief Executive and Director of Legal and Governance acted under delegated powers to secure the best agreement that could be secured. Under the Constitution this requires reporting to Cabinet.

#### **DETAILS OF ANY ALTERNATIVE OPTIONS**

Continue litigation having rejected the proposal. The outcome of such litigation is, by the very nature of such action, both uncertain and time/resource intensive. Any outcome would likely be delayed to July 2019 at the earliest.

**OTHER RELEVANT MATTERS CONCERNING THE DECISION**

None.

**CONFLICTS OF INTEREST**

None.

**CONFIRMED AS A TRUE RECORD**

We certify that the decision this document records was made in accordance with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 and is a true and accurate record of that decision.

Date: 18 June, 2019

Decision Maker:  
The Cabinet

Proper Officer:  
Pat Wood

**SCRUTINY**

Note: This decision will come in to force at the expiry of 5 working days from the date of publication subject to any review under the Council's Scrutiny "Call-In" provisions.

Call-In Period expires on

Date of Call-in *(if applicable) (this suspends implementation)*

Call-in Procedure completed *(if applicable)*

Call-in heard by *(if applicable)*

Results of Call-in *(if applicable)*